

PURCHASING

DESCRIPTION

The Purchasing Department provides procurement services, information, and guidance for county and school departments and individual schools. The staff administers competitive bidding for goods, services, and construction; competitive negotiation procedure for professional and consultant services; and establishes, renews and administers nearly 400 requirements contracts for goods and services. The

department also conducts auctions for the sale of surplus goods and administers a formal cost avoidance program. In coordination with county and school departments, staff develops specifications, administers contracts, and strives to ensure that all procurement activity is accomplished in an ethical, legal, efficient, effective, and competitive manner.

FINANCIAL ACTIVITY

	FY2001 Actual	FY2002 Adopted	FY2003 Adopted	FY2004 Planned	Change FY2002 to FY2003	Change FY2003 to FY2004	FY2005 Projected	FY2006 Projected
Personnel	\$824,191	\$835,800	\$869,700	\$869,700	4.1%	0.0%	\$869,700	\$869,700
Operating	69,890	81,900	69,500	69,500	-15.1%	0.0%	69,500	69,500
Capital	<u>8,223</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0%	0.0%	<u>0</u>	<u>0</u>
Total	\$902,304	\$917,700	\$939,200	\$939,200	2.3%	0.0%	\$939,200	\$939,200
Revenue	<u>150,075</u>	<u>155,500</u>	<u>160,700</u>	<u>160,700</u>	3.3%	0.0%	<u>160,700</u>	<u>160,700</u>
Net Cost	\$752,229	\$762,200	\$778,500	\$778,500	2.1%	0.0%	\$778,500	\$778,500
FT Pos.	14	14	14	14	0	0	14	14

BUDGET ANALYSIS AND EVALUATION

During FY2003 purchasing will continue to empower departments by delegating small dollar purchases to them. This allows purchasing staff more time and resources to devote to the higher dollar and more complex purchases where the potential for significant cost avoidance exists. It also improves the overall delivery of procurement services to the county and schools.

The department continues to be involved in a regional initiative with surrounding localities via cooperative bidding for commodities such as diesel fuel, gasoline, library materials, water meters, fleet vehicles, household hazardous waste collection, and wood waste processing. The department has promoted regional efforts in sponsoring workshops to train minority, women owned, and small business owners in how to do business with local government. The purchasing staff continues to conduct training for the various customers of purchasing services. County and school departments have requested and

received training. The department's goal is to be able to provide unlimited training, even during the busy months of June - August.

Purchasing staff developed departmental customer service standards. The staff has developed a vision and mission statement and departmental goals and objectives that support the county's strategic goals and objectives. The department has also developed new workload, effectiveness, and efficiency measures that more accurately measure the services provided to our customers.

A review of the most recent customer satisfaction surveys submitted by both county and school departments indicates a high level of satisfaction with purchasing services. The customer satisfaction index for FY2001 was 8.7. While the overall response for each category is high, Expediting Late Delivery and Quality of Goods/Services were the lowest scoring categories. However, the department

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received a 9.23 rating on courtesy of staff. While a lower customer satisfaction level with processing time is somewhat systemic with any centralized procurement function, purchasing remains sensitive to the needs of its customers. Many delegation methods and empowerment techniques have been implemented to address this issue. To best serve the special needs of the department's customers, a part-time secretary and a regrade of a purchasing technician to senior purchasing technician have been included as additional funding requests in FY2003 and in future years.

Purchasing staff is committed and actively involved in professional development. This is highlighted by the interest in professional certification in the department. Nine members hold active certifications that are awarded by the National Institute of Governmental Purchasing, two members are Certified Professional Secretaries, and one is a Certified Administrative Professional.

The Purchasing Department was awarded the Outstanding Agency Accreditation Achievement Award by the National Institute of Government Purchasing (NIGP) on October 25, 1999. This award was received for demonstrating excellence in public purchasing. Chesterfield County's Purchasing Department was the eighth agency in the United

States, Canada, Ireland, and England to receive this award and the first locality or state agency in Virginia to receive it.

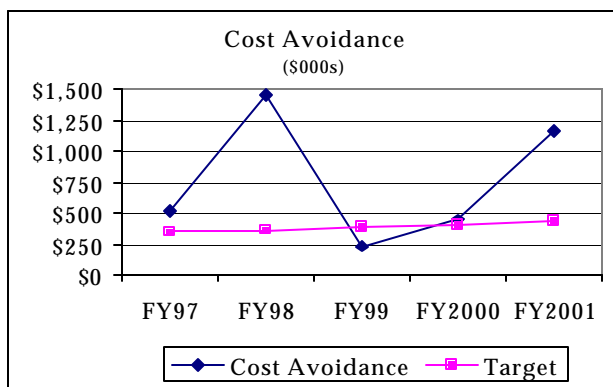
The department requests additional funding for two new positions; a contract administrator and a purchasing officer. The contract administrator would provide for adequate development, monitoring and auditing of contracts that continue to increase in number and complexity. The purchasing officer position is being requested to absorb the increasing workload demands in the department. No new buyer positions have been added to the Purchasing Department since 1985 even though these years have been a time of unprecedented growth and demand for services in the county and school systems.

Additional funding is also requested for office technology upgrades and replacement of aging office chairs. Funding has not been identified in FY2003 for these requests.

During the FY2003 budget process, departments were directed to submit budget requests that included potential spending reduction plans. The FY2003 budget for this department reflects an approximate 1% reduction in expenditures (excluding merit increases) due to a slowdown in the national and regional economy.

HOW ARE WE DOING?

- Goal:** Ensure all purchases are in legal compliance with codes, policies, and procedures. Supports Countywide Strategic Goal Numbers 1 and 2.
- Objective:** Maximize annual cost avoidance through methodology outlined in Cost Avoidance Program
- Measure:** Annual cost avoidance amount compared to 133% of Purchasing's annual budget

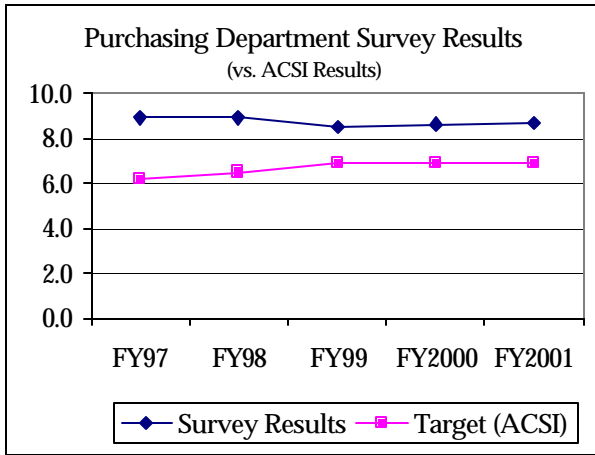


Initiatives

- Conscious development of new supply sources
- Develop new or improved blanket order/requirements contracts
- Anticipate price increases
- Order consolidation
- Competitive negotiations
- Conduct value analyses

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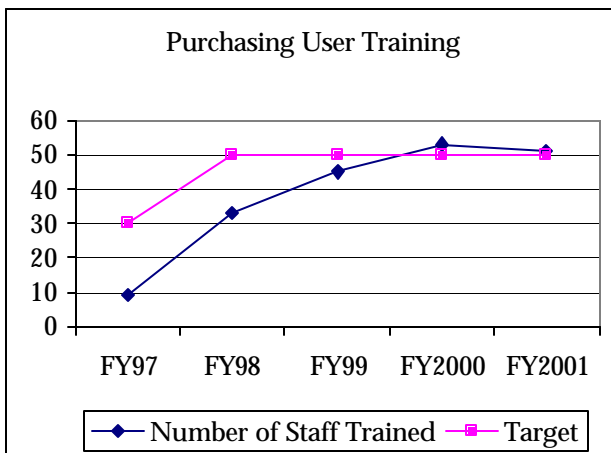
Goal: Exceed customer expectations. Supports Countywide Strategic Goal numbers 1 and 2.
Objective: Maintain a high rating of customer satisfaction
Measure: Annual Purchasing Customer Service Survey Results vs. American Customer Satisfaction Index (ACSI)



Initiatives

- Annually issue Survey of Customer Satisfaction to county departments and schools
- Use categorical scores to assess areas of strength and weakness in customer service

Goal: Promote positive partnerships with our customers. Supports Countywide Strategic Goal numbers 1, 2, and 7.
Objective: Provide periodic purchasing user training sessions to enhance professional development and teamwork
Measure: Number of county and school employees trained annually



Initiatives

- Periodically distribute literature on course descriptions and schedules
- Develop courses that adequately address purchasing procedures, forms and departmental issues

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WHERE ARE WE GOING?

In three years, all school and county departments will continue to be involved in an ongoing continuing education process. This will be facilitated through group and one-on-one individual departmental and school training.

It is expected that continued delegation of small dollar purchases via the procurement card to using departments would allow purchasing staff more time to devote to larger dollar purchase areas.

Staff will have the distinct benefit of remaining up-to-date on new procedures to always remain proactive and continue providing customer service by the highest standards.

The department anticipates the need for additional resources to accommodate the increasing needs and demands of its customers and to continue to incorporate total quality improvement techniques in all areas of service delivery.